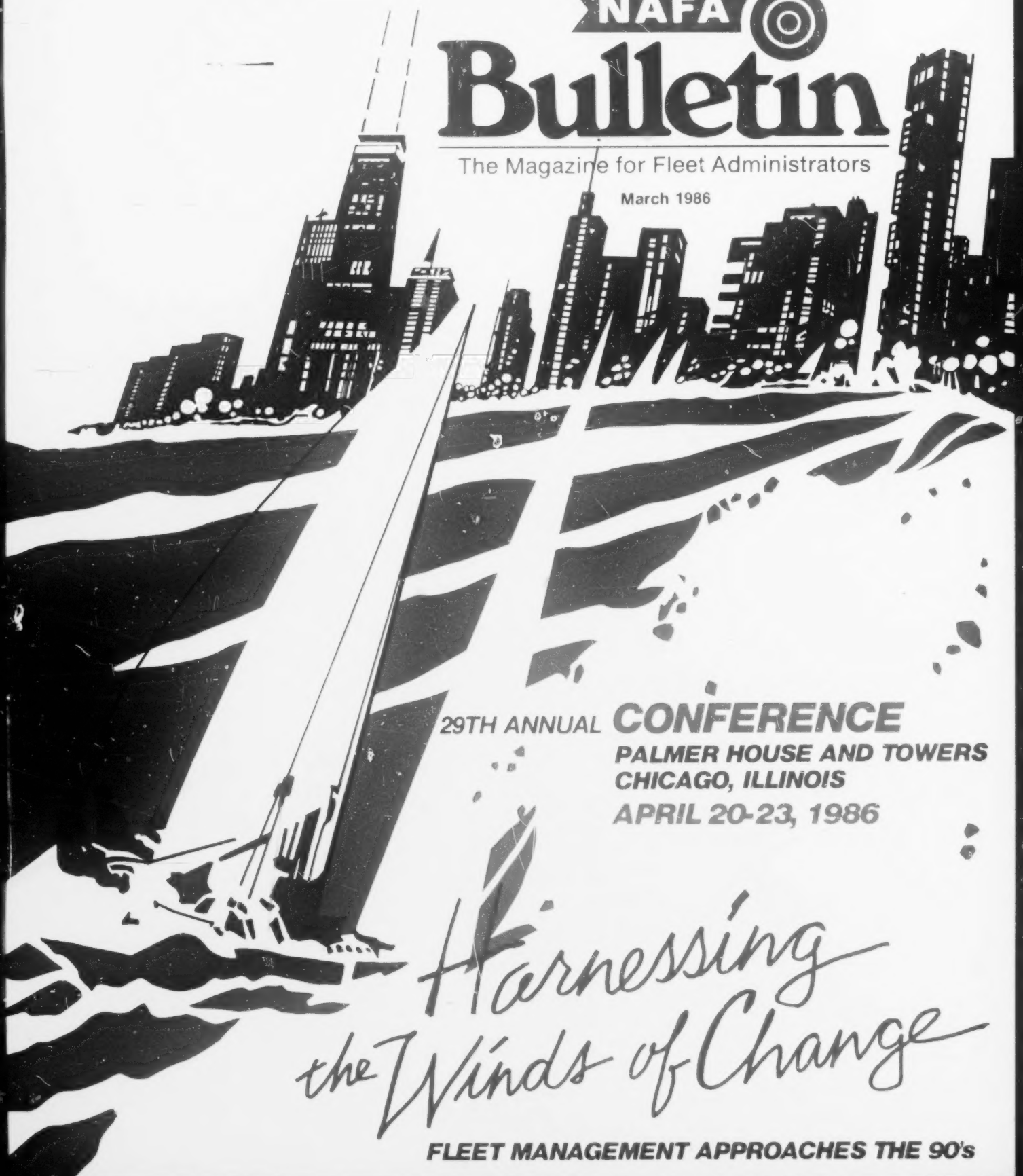
NAFA's Annual Conference Issue

NAFA
Bulletin
The Magazine for Fleet Administrators
March 1986



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NAFA Bulletin

The Magazine for Fleet Administrators
March 1986

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NAFA's Annual Personal Use Survey

NAFA Exclusive

Here are the results of NAFA's Annual Personal Use Survey — the most complete measure of personal use policies within the fleet industry.

A total of 358 fleets, operating 237,710 vehicles, participated in NAFA's Annual Personal Use Survey. The breakdown of responses is: 267 from commercial fleets in the United States; 41 Canadian fleets; 30 government fleets, and 20 public utilities fleets. ■ The Personal Use Survey covers three very important areas of fleet management: 1) when employees are able to use business cars for personal use; 2) who gets business cars, and 3) how employees are charged for personal use of business cars or how they are reimbursed for use of personal car for business. ■ The following article classifies responses into business categories with subsections on the three main areas outlined above. Please note that the Personal Use Survey results for Canadian, government and public utilities fleets will be reported in next month's Bulletin.

Consumer Manufacturing Fleets

Personal Use Policies

Thirty-three consumer manufacturing company fleets, responsible for 34,882 vehicles (24,941 U.S. company-owned, 8,670 U.S. leased and 1,271 U.S. employee-owned) responded to the survey.

Every fleet in this group allowed personal use of company cars after hours and on weekends, holidays and vacations. Twenty-nine of the 33 responding fleets have no limit on the number of personal miles a driver can put on a car. This resulted in a monthly average of 353 personal miles driven by each employee. This, the companies responded, was approximately 16.5 percent of the fleet's total mileage each month.

Corresponding with this, 29 fleets charge employees for personal use of a fleet car. The split between chargeback methods is almost even: 12 use a mileage-driven charge method; nine have a flat monthly or weekly rate, and eight use a combination of both methods. Fifty-five percent (18) of these fleets have not increased the charge for personal use in the last year. The average personal mileage charge was almost 15 cents (.146) for each mile.

The most often cited method for collecting personal use charges for consumer manufacturing fleets is through an expense report deduction. Fifteen fleets, or 46 percent, use this method. The second most popular was collection via salary deduction, where 10 fleets, 30 percent, responded they used this method. Approximately one-fourth (8) of these fleets use other methods of collection such as payment by personal check.

Every fleet in the group permits personal use by both the employee and spouse. In addition, 19 of the 33 fleets allow licensed children to drive the company car. Eleven of those 19 fleets have a minimum age requirement of 18 years.

To the question, "Is any portion of repair costs resulting from accidents during personal use charged to the operator?" 15 fleets responded 'Yes' and 18 responded 'No.' Of that 15, ten fleets charge a dollar amount based on a percent of the cost and five charge a "deductible" amount according to their insurance policy. No one charges the full amount of the damage and no one charges a fixed share of the cost of damage. In 17 of the 33 fleets, the employee is charged with an accident if another person was driving the company car at the time the accident occurred.

Car Assignment

A combination of factors is used to determine who gets a company car in consumer manufacturing company fleets.

An employee's job title is the most important factor according to 24 fleets who said this was a determinant in getting a company car. Next was the mileage the employee drove in a year; 16 fleets noted this was used to assign cars. Nine fleets said cars were given as part of the employee's fringe benefit plan.

Survey Highlights

- In contrast to last year's survey results, more fleets charge drivers for personal use via a mileage-driven rate rather than a flat rate each period.
- Most fleets responding to the survey collect personal use mileage charges through salary deductions rather than expense reports.
- A majority of drivers are charged their insurance policy deductible amount when they are involved in an accident while using a company car for personal use.

If an employee's assigned car is not in operation, there are several options the companies take to get that person a car. Thirty-one responded they rent a car; 29 let the employee use his/her own car; 14 set up a car pool system, and five are allowed to use the district manager's car.

Reimbursement Policies

When reimbursing an employee for business use of a personal car, most fleets pay only for mileage driven. Twenty-two fleets said they reimburse employees an average of 20 cents a mile regardless of the miles driven. Two fleets pay a fixed amount plus approximately 11 cents a mile for a cost of $133.50 a month. Two fleets use the Runzheimer Schedule, one uses a graduated scale where a certain amount is paid for the first set of miles and a different amount is paid for any miles over that. One fleet pays a fixed rate of $35 a week.

When reimbursing an employee who used a personally-owned car because his/her assigned fleet car was not in operation, 28 fleets pay an average of a little more than 19 cents a mile, while one fleet pays an unspecified fixed amount.

Slightly more than half the fleets (17) compensate employees who, because of transfer or reassignment, are no longer eligible for a company car. The amount of compensation, in most cases, is determined on a case-to-case basis.

Two of the 31 respondents said the Internal Revenue Service (IRS) had conducted an audit of their companies within the last two years. That audit included investigation into the companies' personal use policies.

Industrial Manufacturing Fleets

Personal Use Policies

Fifty-nine industrial manufacturing fleets, operating 34,312 vehicles (29,909 U.S. leased, 2,856 U.S. company-owned and 1,547 U.S. employee-owned) responded to the survey.

Ninety-seven percent of these fleets (57) allow employees personal use of company vehicles. Fifty-four fleets allow employees to use the company vehicle after working hours and on weekends

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Personal Use Survey Results

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and holidays. Fifty-three said employees are allowed personal use of company cars while the employee is on vacation. More than 80 percent of the responding companies have no limit on personal mileage. This results in a monthly personal mileage average of 533 miles for each employee. This, the companies cited, equals an estimated 21.7 percent of the company's total fleet mileage each month.

Forty-nine fleets charge employees for personal use of company cars. Most companies (20) charge a flat monthly or weekly rate. Fifteen fleets charge an average of 11.6 cents a mile for each personal mile the driver puts on the car. Fourteen fleets use a combination of the flat rate and mileage charge methods. The charge for personal use of fleet cars increased in more than half the responding companies; 28 said increases were necessary, 25 said the rates remained the same as the previous year.

Two methods for collecting personal use charges were used in almost the same number of respondents. Twenty one fleets said they collect the money through expense report deductions, while 20 said they use salary deductions to get personal use charges. The remaining fleets cited other methods of personal use collection, but they did not specify what they were.

Almost all the fleets allow the employee's spouse to use the company car; 50 responded affirmatively while none responded negatively. Of the 23 that responded to whether they allow employee's children to drive the company car, all said "Yes." Slightly more than half, 28, said they have a minimum age requirement for driving a company car and 27 said they do not.

In answering the question, "Is any portion of repair costs resulting from accidents during personal use charged to the operator?" the same number of fleets (29) responded "Yes" and "No." Of the 29 who charge the operator, 14 charge the insurance company "deductible" amount, eight charge a dollar amount based on the cost of the accident, two charge a fixed dollar amount and one fleet charged the operator the full amount of the damage. Out of 54 responses, 37 said they charge the operator with an accident if another person was driving the company car at the time the accident occurred.

Car Assignment

There are two major factors that determine who gets a company car in industrial manufacturing fleets: job title and number of business miles driven. Job title was a determining factor for 47 fleets and, in 33 fleets, if a driver averaged approximately 13,300 miles a year he/she was assigned a car. Sixteen fleets said they gave out company cars as part of the employee's fringe benefit plan. Five fleets gave "other" reasons for assigning company cars.

If an employee's assigned car is not in operation, industrial manufacturing fleets are likely to take one of three major alternatives to get that person a car. Most fleets, 56, said they allow the employee to use his/her own car until the company car is operable. Forty-seven fleets rent a car and 36 use a car pool system. Seventeen fleets allow drivers to use their district manager's car.

Reimbursement Policies

When reimbursing an employee for business use of a personally-owned car, 48 of these fleets pay only for mileage driven. The average cost paid per mile is 20.3 cents. Five fleets pay a fixed dollar amount plus an average of 8.2 cents a mile for an average monthly payout of $204.88. Three fleets use the Runzheimer Schedule, three use a graduated scale of payment and two pay an unspecified fixed amount each month.

When reimbursing an employee because his/her company car was not in operation, all 54 respondents said they pay only for mileage driven. No fleets said they pay a fixed amount or a fixed amount plus mileage.

Thirty respondents said they compensate employees who, because of transfer or reassignment, are no longer eligible for a company car; 26 said they did not.

An overwhelming majority (51) said they had not been audited by the IRS within the past two years. The three that were audited said the audit included an investigation into the company's personal use policies.

"There are two major factors that determine who gets a company car in industrial manufacturing fleets: job title and number of business miles driven. Job title was a determining factor of 47 fleets and, in 33 fleets, if a driver averaged approximately 13,300 miles a year, he/she was assigned a car."

Insurance Company Fleets

Personal Use Policies

Fifty insurance companies in charge of 7,519 vehicles (4,679 U.S. company-owned, 2,617 U.S. leased and 223 U.S. employee-owned) responded to the survey.

Of the 24 fleets that responded to questions regarding when employees could use company cars for personal use, all said employees could use them after work hours, and on weekends, holidays and vacations. (Twenty-six fleets did not respond to this question; none said no.) Twenty one of the 24 fleets have no limit on the number of personal

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Personal Use Survey Results

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miles a driver can put on a car. This results in a monthly average of 466 personal miles for each driver, which, the companies estimate, is 22.5 percent of the total fleet mileage.

Twenty of 22 fleets charge drivers for the personal mileage they put on the company car. Eight fleets charge a flat monthly rate; eight charge a flat monthly rate plus a mileage fee and seven charge only a mileage fee. Eleven fleets increased, from last year, the fees they charge drivers for personal mileage; eleven fleets also kept the same rates as the previous year.

Twice as many fleets collect the charges for personal use of company cars through salary deductions as those who collect otherwise. Ten fleets use the salary deduction method; five collect through expense account deductions and five use "other" methods.

Of the 20 fleets that responded, all allowed personal use of company vehicles by the spouse of the employee. Eight also allowed personal use by the children of the employee and one allowed personal use by "others." Eighteen of 24 responding fleets have no minimum age requirement for personal use of business cars.

Seventeen of 50 fleets charge employees for a portion of the costs resulting from accidents during personal use of a company car. Ten fleets charge the insurance "deductible" amount; four charge a dollar amount based on the cost of the accident; two charge the full amount; one bases charges on "other" criteria. Twenty-one of 43 fleets charge the employee with an accident if another person is driving the car at the time the accident occurred.

Car Assignment

Two reasons were noted as most significant in determining who gets a company car. Thirty-four fleets said the average yearly mileage is a determinant. Drivers who average 11,922 miles a year usually are assigned a company car for insurance company fleets. Thirty-three fleets use the employee's job title as a criterion for assignment of a company car. Seven fleets give a company car as part of the employee's fringe benefit plan; three cite "other" reasons for assigning cars.

When an employee's company-assigned car is inoperable, 47 fleets rent a car for him/her; 45 fleets allow the employee to use his/her own personal car and 31 fleets set up a car pool system. Six fleets allow the drivers to use the district manager's car.

Reimbursement Policies

When reimbursing an employee for business use of a personal car, 45 fleets responded they pay only for mileage driven. The amount they paid was 20 cents a mile. Four fleets use a graduated scale of payment where a certain amount is paid for the first set of miles and a different amount is paid for any mileage over that. One fleet used a fixed amount of payment plus paid for mileage. The payment for mileage was not given, but the average total monthly payment was $245. One fleet uses the Runzheimer Schedule of payment.

When reimbursing an employee who uses a personal car because his/her company assigned car is inoperable, 48 fleets pay for mileage only. No other methods of payment were given for this situation.

To the question, "Does your company compensate employees who, because of transfer or reassignment, are no longer eligible for a company car?" 27 insurance company fleets said 'Yes' and 19 said 'No.' Forty-two fleets had not been audited by the IRS in the previous two years. The seven fleets which were audited had their personal use policies investigated.

Drugs and Cosmetics

Personal Use Policies

Thirty-six drug and cosmetic company fleets, responsible for 28,557 vehicles (26,514 company-leased, 1,435 U.S. company-owned and 208 U.S. employee-owned) responded to the survey.

All but one of the respondents allow personal use of company cars after work hours and on weekends, holidays and vacations. Also, 35 fleets have no limit on the amount of personal mileage a driver can put on a company car. These fleets estimated that an average of 493 personal miles are driven by

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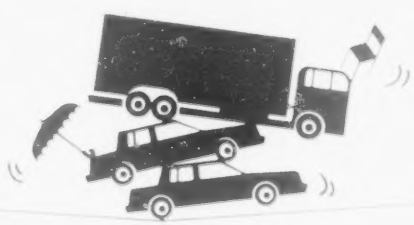

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Personal Use Survey Results

(Continued from page 14)

each employee a month. This equals 14.6 percent of the total fleet monthly mileage.

Twenty-eight of responding fleets said they charge drivers for personal mileage they put on company cars. Exactly half of those companies charge both a flat rate and a mileage charge. Seven fleets charge only a personal mileage charge, with the average charge being 17.5 cents a mile. Another seven fleets charge just a flat rate every period. Of 30 respondents, 18 said they increased the charges for personal mileage from last year's prices.

The most often noted method of collection of fees for personal use mileage was through expense report deductions. 17 fleets use this method. Ten said salary deductions are used to collect the fees and six used "other" methods.

Almost all responding drug and cosmetic fleets (34) allow personal use of company cars by the employee's spouse. In addition, 20 allow the employee's licensed children to use the car and five allow "others" to drive the car. Nineteen fleets have no minimum age requirement for someone to drive the company car.

To the question, "Is any portion of repair costs resulting from accidents during personal use charged to the operator?" 20 responded 'Yes' and 14 'No.' Ten of these fleets charge a dollar amount according to the cost of damage; six charge the insurance "deductible" amount and one charges the full amount of the damage (the remaining three charge "other" unspecified amounts). Also, in 20 fleets, the employee is charged with an accident if another person was driving the car at the time the accident occurred.

Car Assignment

By far, the most influential factor in determining who gets a company car in drug and cosmetic fleets is the person's job title. Thirty-two fleets said this criterion was used to base their decision on who gets a company car. Another 14 fleets said the mileage driven by the employee determines who gets a car. The average mileage driven by those who received company cars was 8,178. Nine fleets assign cars as a part of the employee's fringe benefit plan and four have "other" reasons for giving company cars.

If an employee's company car is not operable, 35 fleets rent a car for him/her until the company car is repaired, or they allow the employee to use his/her personal car. Fourteen fleets responded they set up car pools in this situation. Nine allow use of the district manager's car.

Reimbursement Policies

When reimbursing an employee for business use of a personal car, responding drug and cosmetic fleets use only two methods of payment. Most often, fleets pay only for the mileage driven with the average payment being 23.2 cents a mile. One fleet said they reimburse their drivers a fixed amount of $300 a month. No one uses a combination of the fixed rate plus mileage, the Runzheimer Schedule or a graduated scale of payment, according to results.

When reimbursing an employee who used a personally owned car because their company car was not operable, 32 fleets pay only for mileage driven. The average payout was 21.6 cents a mile. Two fleets pay an unspecified fixed amount each period.

Overwhelmingly, these fleets said they reimburse an employee who is no longer eligible for a company car because of transfer or reassignment. Thirty of 35 responding fleets do this.

Two of 34 fleets said they had been audited by the IRS in the last two years. The audit included investigation into the companies' personal use policies.

"The most often noted method of collection of fees for personal use mileage among drug and cosmetic fleets was through expense report deductions: 17 fleets use this method. Ten said salary deductions are used to collect the fees and six used "other" methods."

Chemical and Petroleum Fleets

Personal Use Policies

Thirty chemical and petroleum company fleets, representing 27,415 vehicles (15,095 U.S. company-owned, 12,028 U.S. leased and 292 U.S. employee-owned) responded to the survey.

Twenty-eight of the 30 allow personal use of fleet cars. Of 27 respondents, 25 allow personal use after work hours and on weekends and holidays. Sixteen of the 27 allow personal use while the employee is on vacation. Eighteen fleets have no limit on the number of personal miles a driver can put on a company car. The average monthly personal mileage total for these fleets is 547 miles per driver, which represents 22 percent of the company's monthly fleet mileage.

Corresponding with this, 20 fleets charge employees for personal use of company cars. Eight fleets charge for the total personal mileage driven; eight charge a flat rate each period and four use a combination of both methods. Fourteen fleets have increased their charges for personal mileage on company cars, while the same number have kept fees at last year's rates.

Collection for personal mileage charges through salary deductions was used in ten fleets. Three fleets use expense accounts to collect the charges and nine use "other" collection methods.

Seventeen of the 30 chemical and petroleum company fleets permit personal use of company cars by an employee's spouse. Six allow the employee's children to use the company car and two allow "others" permission to drive company cars. Almost two-thirds (18) of these fleets have no minimum age requirement to drive a company car.

Almost four times as many fleets responded 'No' compared with those who said 'Yes' to "Is any portion of repair costs resulting from accidents during personal use charged to the operator?" Twenty-three said 'No' and six said 'Yes.' Of the six, three charge a certain dollar amount based on the cost of the accident, one charges the full amount of damage, one charges the insurance company "deductible" amount and one uses "other" methods of charging.

Fourteen companies said they do not charge the employee for an accident if another person was driving the car at the time the accident occurred; nine do so.

Car Assignment

There are two main factors used to determine who gets a car according to the responding chemical and petroleum company fleets.

The employee's annual mileage governs providing a company car in 17 fleets. The average mileage for a driver who receives a company car in this category is 10,117 a year. The person's job title is a factor in determining if he/she gets a company car in 15 fleets. A person will get a company car as part of his/her fringe benefit plan in six fleets. Four fleets gave "other" reasons for assigning company cars.

"When reimbursing an employee who used a personal car because his/her business car was out of operation, all chemical and petroleum company fleet responses were for paying the driver for mileage only."

If an employee's company car is not in operation, 26 fleets rent a car, 25 allow the employee to use his/her personal car and 23 set up a car pool system. Twelve fleets allow the employee to use the district manager's car.

Reimbursement Policies

When reimbursing an employee for business use of a personal car, 24 of these fleets pay an average of 20 cents a mile for mileage driven. Three fleets use a graduated payment scale where a certain amount is paid for the first set of miles and a different amount is paid for any mileage over that. Two fleets use the Runzheimer Schedule for payment. No fleets responded that they reimbursed

(Continued on page 18)

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Personal Use Survey Results

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drivers a fixed amount every period or a fixed amount plus mileage.

When reimbursing an employee who used a personal car because his/her business car was out of operation, all responses were for paying the driver for mileage only. No one said they paid a fixed amount plus mileage.

If an employee loses his/her eligibility for a company car due to transfer or reassignment, 23 fleets responded they do not compensate or reimburse that employee in any way. Six do compensate the employee.

Twenty-five fleets had not been audited by the IRS in the last two years; two had been. The audits included an investigation into the companies' personal use policies.

Food and Beverage Fleets

Personal Use Policies

Thirty food and beverage company fleets, responsible for 18,105 vehicles (9,839 U.S. company-owned, 7,904 company-leased, and 362 U.S. employee-owned) responded to the survey.

All 30 respondents allow their employees personal use of company vehicles after work hours and on weekends and holidays. One company does not allow personal use on vacation, but 29 do. Twenty-four fleets have no limit on the amount of personal mileage a driver can put on a company car. The average personal mileage for each driver in this category is 510 miles a month. Personal mileage on company cars is estimated to account for 19.5 percent of each fleet's total mileage.

Twenty-seven fleets charge for personal use of company cars. The most cited method of charging is by mileage driven; 15 fleets use this method. The average cost of personal mileage charge is 11.6 cents a mile. Eleven fleets charge a flat rate each period. Seven fleets use a combination of both methods. Slightly more than half (16) of the fleets increased their personal use charge rates from last year; 14 did not.

When collecting the charges for personal use, a majority of these fleets do so by salary deductions; 17 fleets use this method. Nine collect through expense report deductions and three use "other" methods.

All 30 fleets allow personal use of company cars by the spouse of employees. Fourteen allow the children of employees to use the company car and two allow "others" permission to drive the cars. Seventeen of 29 responding fleets have no minimum age requirement to use the company car.

Exactly three-fifths of the fleets (18) responded negatively when asked if any portion of the repair costs, resulting from an accident when the driver is using the car for personal use, are passed on to the operator. Of the twelve fleets that said the costs are passed on, ten make the operator pay the insurance "deductible" amount and two charge a dollar amount based on the cost of the accident. Twenty of these fleets charge the employee with an accident even if someone else was driving the car at the time the accident occurred; nine fleets do not.

Car Assignment

The most frequent reason given for assigning a company car to an employee was the employee's job title; 27 fleets gave this as a leading criterion. Fourteen fleets said the yearly mileage driven was a prime factor in determining who gets a company car. These fleets said the average mileage is 12,619 for those who received cars. Five fleets said cars were given as a part of the employee's fringe benefit plan and one gave "other" reasons.

If the employee's company car is inoperable, food and beverage company fleets use two methods to get the employee a car. Twenty-six fleets allow the driver to use his/her own car; 24 rent a car for the employee. Eighteen fleets set up a car pool system and 12 allow the employee to use the district manager's car.

Reimbursement Policies

When reimbursing an employee for business use of a personal car, 21 fleets pay for mileage only. The average payout is 20.1 cents per mile. Four fleets reimburse the employees a fixed amount each month, the average payment being $350.

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Personal Use Survey Results

(Continued from page 19)

Three fleets pay a fixed amount plus some payment for mileage. The average payment per mile for these fleets is 20.2 cents and the overall monthly payment averages $260.62. One fleet uses the graduated scale of payment and none use the Runzheimer Schedule of payment.

When reimbursing an employee who used a personal car because his or her business car was unavailable, 26 fleets pay for mileage only. The average payment is 21.1 cents per mile. No one pays employees a fixed amount or a fixed amount plus mileage in this case.

More than two-thirds of these fleets (18) compensate employees who lose eligibility for company car due to transfer or reassignment; eight fleets do not compensate employees in this case.

Twenty-four of 29 responding fleets had been company fleets but not been audited for the IRS in the last two years. The five that were audited had their personal use policies investigated.

Miscellaneous Company Fleets

Personal Use Policies

Twenty-nine miscellaneous companies (those that do not fit any of the other groups) responded for 15,651 vehicles (9,661 company leased, 5,431 U.S. company owned, and 559 Canadian owned). Twenty-six fleets said employees can use the company cars for personal reasons. Of these, 23 allow employees to use the cars for both business and personal use on weekends and holidays. Three allow personal use only on weekends and holidays. Twenty-two of these fleets record the actual number of personal miles driven. All pay for company cars. The result is a monthly average of 360 personal miles per driver, which is estimated to be 17.1 percent of each fleet's total monthly fixed mileage.

Twenty-three of 29 fleets charge drivers for the personal miles they put on the company car. Ten fleets charge only for mileage. The average charge is 11.8 cents a mile. Six fleets charge a flat rate each period; four fleets use a combination of both methods to charge their drivers. Three fleets use unspecified "other" charge methods. From last year, 14 fleets increased the rates they charged their drivers; eight fleets did not.

The 23 fleets that charge for personal mileage collect those fees in various ways. Eight said they use salary deductions, five use expense accounts and ten use "other" methods.

Of the 18 fleets that responded to the question of whether they allow an employee's spouse to use the company vehicle, all said "Yes." Nine fleets also allow employee's children to use the company vehicle. None allow "others" to use the vehicles. Fifteen fleets said they do not have a minimum age requirement to drive a company car; eight fleets do.

To the question, "Is any portion of repair costs resulting from accidents during personal use charged to the operator?" nine fleets said "Yes." Several of these charge the maximum "deductible" amount and two charge a dollar amount based on the cost of the damage. Eight fleets also charge the driver with all accident if someone else is driving the company car at the time the accident occurred. Twelve fleets do not do this.

Car Assignment

When differentiating who should get a company car, the respondents in the miscellaneous group said the seniority of the employee was the most influential factor in their decisions. Two to four fleets rated job title as a determinant factor. The fourth factor listed by the miscellaneous group to determine who gets a company car is "driver record." A driver who averages 50,000 miles or more a year usually gets a company car in this group. Five fleets give company cars as part of the employee's fringe benefit plan and three cite "other" reasons for giving company cars.

Summary of Survey Responses

Industry Group	Number of Fleets	Company Owned Cars	Company Leased Cars	Employee Owned Cars	Total
Industrial Manufacturing	59	2,856	29,909	1,547	34,312
Insurance Companies	50	4,679	2,617	223	7,519
Drugs and Cosmetics	36	1,435	26,514	208	28,157
Consumer Manufacturing	33	24,941	8,670	1,271	34,882
Chemical & Petroleum	30	15,095	12,028	292	27,415
Food and Beverage	30	9,839	7,904	362	18,105
Miscellaneous	29	6,234	6,664	956	13,854
Totals	267	65,079	94,306	4,859	164,244

Personal Use Survey Results

(Continued from page 20)

If an employee's company car is inoperable, 28 fleets allow him/her to use their personally-owned car. Twenty fleets rent a car; 17 set up a car pool system and eight allow drivers to use the district manager's car.

Reimbursement Policies

When reimbursing an employee for business use of a personal car, 28 fleets pay only for mileage driven. The average price paid is 20.6 cents a mile. One company reimburses drivers a fixed amount of $450 every month for business use of a personal car. One fleet pays a fixed amount plus 10 cents a mile for an average monthly cost of $250. One fleet uses a graduated payment scale. None use the Runzheimer Schedule.

If an employee uses his/her personal car because the company car is inoperable, 26 fleets will reimburse the employee for only the mileage driven. The amount paid averages 19.4 cents a mile. One fleet pays a fixed amount plus mileage; one fleet pays a fixed amount only.

If an employee loses his eligibility for a company car because of a transfer or reassignment, 18 fleets in this category do not compensate him/her, while eight do.

Twenty-five fleets were not audited by the IRS in the previous two years, but three were. Those three had their personal use policies investigated. ■

PERSONAL USE SURVEY SUMMARY

	Industrial Mfg. (59)		Insurance Cos. (50)		Drugs & Cosmetics (36)		Consumer Mfg. (33)		Chemical & Petroleum (30)		Food & Beverage (30)		Miscellaneous (29)	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Personal Use Permitted	56	2	24	0	35	1	33	0	28	2	30	0	26	3
After Work	51	1	24	0	35	1	33	0	25	2	30	0	25	3
Weekends & Holidays	54	1	24	0	35	1	33	0	25	2	30	0	23	4
Vacations	53	2	24	0	35	1	33	0	16	11	29	1	21	5
Limits on Personal Use	5	50	3	21	1	34	4	29	7	18	5	24	6	22
Charge For Personal Use	49	4	20	2	23	6	27	2	19	4	27	1	23	4
Mileage Charge	15	0	7	0	7	0	12	0	8	1	15	1	10	0
Flat Rate	20	0	8	0	7	0	9	0	8	0	11	2	6	0
Both or Other	14	0	8	0	14	0	8	0	4	0	7	2	7	0
Charge Collected By:														
Expense Report	21	1	5	2	17	0	13	2	3	1	9	3	5	2
Salary Deduction	20	1	10	1	10	0	10	0	10	0	17	2	8	0
Both or Other	11	0	5	0	6	0	8	0	9	0	3	0	10	0
Use Permitted by:														
Employee & Spouse	50	0	20	0	34	0	33	0	17	0	30	0	18	0
Employee & Children	23	0	8	0	20	0	19	0	6	0	14	0	9	0
Employee & Others	4	0	1	0	5	0	0	0	2	0	2	0	0	0
Minimum Age Limits	28	27	5	18	15	19	12	20	10	18	12	17	8	15
Repair Costs Paid By:														
Employee	29	29	17	33	14	20	15	17	6	23	12	18	9	19
Full Amount	1	—	2	—	1	—	0	—	1	—	0	—	0	—
Fixed Share	2	—	0	—	1	—	0	—	0	—	0	—	0	—
Dollar Amount	8	—	4	—	10	—	10	—	3	—	2	—	2	—
Insurance Deductible	14	—	10	—	6	—	5	—	1	—	10	—	7	—
Accident Charged	37	17	21	22	20	11	15	14	9	14	20	9	8	15
Increased Charge in 1985	28	25	11	11	18	12	11	17	14	14	16	14	8	14
Alternate Transportation:														
Employee	56	1	45	0	34	0	29	1	25	2	26	3	28	0
Rental Car	47	3	47	0	35	0	31	0	26	2	24	1	20	2
District Mgr.'s Car	17	13	6	11	9	5	5	11	12	9	12	5	8	5
Car Pool	36	7	31	6	14	5	14	6	23	4	18	5	17	4
IRS Audit	3	51	7	42	2	32	2	29	1	25	5	24	3	25